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Industrial Development Board

Fifth special session

SUMMARY RECORD OF THE 1st MEETING

Held at the Vienna International Centre, Vienna,
on Friday, 22 January 1993, at 10 a.m.

President: Mr. BALAZS (Hungary)

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The meeting was called to order at 10.10 a.m.

OPENING OF THE FIFTH SPECIAL SESSION

1. The PRESIDENT declared the session open. The session had been convened by the Director-General, in close consultation with him, after a majority of the members of the Board had explicitly concurred in the proposal for the holding of a special session. The session had been convened in compliance with Article 9.3 (a) of the UNIDO Constitution and the relevant rules of procedure.

ELECTION OF A VICE-PRESIDENT

2. The PRESIDENT said that the Bureau had become short of one vice-president since the departure of Mr. Clark (United Kingdom) from Vienna. If there was no objection, he would take it that there was agreement that Mr. Christopher Hulse (United Kingdom) should be elected Vice-President until the Bureau of the next regular session was elected.

3. It was so decided.

ADOPTION OF THE AGENDA (IDB/S.5/1)

4. The provisional agenda (IDB/S.5/1) was adopted.

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REQUEST FOR RELEASE OF MR. D. L. SIAZON, JR. FROM HIS POSITION AS DIRECTOR-GENERAL NO LATER THAN 31 JANUARY 1993 (IDB/S.5/L.1)

(a) CONSIDERATION OF THE EARLIER DATE OF RESIGNATION

(b) APPOINTMENT OF AN ACTING DIRECTOR-GENERAL IN CONFORMITY WITH ARTICLE 9.4 (f) OF THE CONSTITUTION

5. Mr. LØNSMANN POULSEN (Denmark), speaking on behalf of the European Community and its member States, said that it had been decided by consensus during the tenth session of the Board in November 1992 (decision IDB.10/Dec.22) to resume the session on 29 March 1993 in order to recommend to the General Conference a candidate for the post of Director-General, and to request the convening of a special session of the Conference on 30 March to consider that recommendation. To prevent a situation from arising in which an interim arrangement would have to be made, it had been further decided, after consultation with all interested parties, to accept the resignation of the Director-General with effect from 31 March 1993 instead of, as originally requested, from 28 February. An important consideration had been that a prolonged interim arrangement would have a serious negative impact.

6. It had been the Community's hope that that decision would have avoided a gap between the departure of the present Director-General and the arrival of a new Director-General. It deeply regretted that that did not now appear to be possible.

7. In the given circumstances, however, the Community member States were ready to accept the resignation of the Director-General from 31 January. That meant that the situation was now faced where a transitional arrangement would be necessary, though for such a limited span of time - two months - that the Community did not expect it to have any significant negative impact on the Organization.

8. In that situation it seemed appropriate to apply an objective criterion by appointing as Acting Director-General the Deputy Director-General with most seniority. In that way the Board would not be prejudging the outcome of its resumed tenth session on 29 March and the special session of the General Conference.

9. In the current situation, the Community viewed the position of Acting Director-General as a caretaker position. That meant that major decisions should be avoided if at all possible and be left to the new Director-General. That was consistent with the views expressed during discussions at the tenth session stressing the importance of the new Director-General's having as free a hand as possible.

10. Before concluding, he wished to express the thanks of the Community member States to Mr. Siazon, who had been leading the Organization not only for a considerable time but also during the important period when UNIDO had been establishing itself as a specialized agency.

11. In recent years, UNIDO had experienced serious difficulties and disappointments as well as uncertainties regarding its future tasks and structure. The Community and its member States were looking forward to cooperating with the new Director-General and were resolved to assist him in restoring confidence in the ability of UNIDO to play its proper role in industrial development.

12. Mrs. NGUYEN THI HOI (Viet Nam), speaking on behalf of the Asian Group, said that the Group had been closely associated with negotiations leading to the consensus agreement reached at the tenth session concerning the acceptance of the resignation of the present Director-General. The Asian Group had appreciated the agreement of the Government of the Philippines to allow Mr. Domingo L. Siazon, Jr. to continue serving as Director-General for an additional month, and had been satisfied that the interests of other geographical groups had been duly accommodated. The Philippine Government, in view of recent important developments in foreign relations, had now asked that the Director-General should be released at the end of January 1993. The Asian Group realized that would cause some dislocation but appreciated the constraints faced by the Philippine Government and would agree to the request for the release of Mr. Siazon as from 31 January.

13. The appointment of an Acting Director-General would be necessary, and the Asian Group considered that, bearing in mind the well-established principle of seniority, the most senior Deputy Director-General might be requested to serve as Acting Director-General in the intervening period. That interim arrangement seemed to be acceptable to all concerned and in line with the Constitution.

14. Mr. ONSY (Egypt), speaking on behalf of the African Group, said he wished to thank Mr. Siazon warmly for his services as Director-General and to wish him success in the new tasks being assigned to him by the Philippine Government. Formidable tasks awaited the new Director-General to be elected shortly, and he should have sufficient scope to develop appropriate policies for facing the challenges. In the circumstances, the Deputy Director-General with the most seniority should be given the task of managing the Organization during the interim period. The adoption of the criterion of seniority should not become a precedent, but reflected the considerations to which he had referred, and he was confident that that was the general view of the members of the Board.

15. Mrs. OK (Turkey) said that her delegation agreed that the most senior Deputy Director-General should be appointed as Acting Director-General, in line with the principle of seniority, in order to ensure the smooth functioning of the Organization during the interim period. It should be made clear that what was involved was not an election. It was her delegation's understanding that the new Acting Director-General would observe the same principle of seniority in his actions and in the appointment of the most senior officer in his Department, the Department of External Relations, Public Information, Language and Documentation Services, as Officer-in-Charge of the Department.

16. Mrs. BECKER (United States of America) associated her delegation with the statement made by the representative of Denmark. She regretted that it had been necessary for the present session to be convened, and considered that the

circumstances that had required the convening of the session ought not to have arisen. Regarding the principle of seniority, the Board's present decision should not serve as a precedent for future appointments of Acting Directors-General; seniority should not be the only criterion. It was important that the new Director-General to be elected shortly should have maximum flexibility to cope with the problems he would face. The Acting Director-General should therefore perform a caretaker role, refraining from taking decisions in the areas of finance and personnel with long-term effects without the agreement of the other Deputy Directors-General.

17. Mr. VETTOVAGLIA (Switzerland) said that his delegation would support the adoption by consensus of the draft decision circulated as document IDB/S.5/L.1, although it would have liked to see the present Director-General continue in his functions until his successor was elected at the end of March 1993. He wished to take the opportunity to thank Mr. Domingo Siazon for the services he had rendered to UNIDO and the international community. Managing UNIDO was not an easy task, particularly at a time when many countries were going through the delicate process of the transition to democracy and the introduction of a market economy. It was an almost impossible task when the payment by Governments of their contributions to the Organization fell far short of the budget, and it was particularly frustrating when Member States could not agree on a restructuring of the Secretariat in spite of the various proposals that the Director-General had made. For Mr. Siazon to have kept the Organization going with the financial means made available to him was close to a miracle. It should also be borne in mind that he had had to take over a new specialized agency in which administrative, regulatory and financial procedures had still had to be established.

18. His delegation wished Mr. Siazon great success and satisfaction in the continuation of his diplomatic career.

19. Mr. ZAITSEV (Russian Federation), speaking on behalf of Group B, said that he would like to convey the Group's thanks to Mr. Siazon and wish him success in his new post.

20. Speaking as representative of the Russian Federation, he said that his country had not been in favour of repealing the relevant decision adopted at the tenth session of the Board, and had considered that the decision taken by the General Conference should be respected. However, in view of the request received from the Philippine Government and its concern not to block a consensus, the Russian Federation had agreed to go along with the proposed decision.

21. Mr. Siazon deserved thanks for the efforts that he had made during his years at the helm of UNIDO to strengthen the Organization's authority in the world, develop mutually beneficial cooperation among the Member States and increase the effectiveness of the activities of UNIDO. In Tokyo, Mr. Siazon would be able to continue work begun thanks to the activities of UNIDO.

22. He wished to express the hope that an effective new leader would be found to guide the Secretariat in its future tasks in the interests of all Member States.

23. Mr. KUME (Japan) said that his delegation had considered the very special request received from the Government of the Philippines and reached the conclusion that the request should be agreed to in order to secure the smooth running of the Organization. However, the decision should not be a precedent for reconsidering, after a very short period of time, a decision taken at a previous Board meeting.

24. His delegation agreed that an Acting Director-General should be chosen from among the present Deputy Directors-General on the objective basis of seniority. Difficult tasks awaited the Acting Director-General; during the coming two months, the draft programme and budgets for the biennium 1994-1995 would have to be formulated in preparation for the session of the Programme and Budget Committee. Nor would the already precarious financial situation improve during those months. In those circumstances, his delegation hoped that the Acting Director-General would do his best effectively to manage the business of the Organization without making commitments that would bind UNIDO for the long term. He associated himself with previous speakers in expressing appreciation for the work done by Mr. Siazon since he had taken office.

25. Mr. CHEN Shiqiu (China) said that China supported the proposal that the Board should agree to the release of Mr. Siazon with effect from the end of January. His delegation wished to thank Mr. Siazon for the contribution he had made and wish him success in his new post.

26. He agreed that the most senior of the present Deputy Directors-General should be appointed as Acting Director-General. Limits should not be placed on the authority of the Acting Director-General, who should take whatever decisions were necessary in the interests of the Organization.

27. China had enjoyed a very good working relationship with Mr. Siazon and looked forward to cooperating with the new Director-General to be elected shortly.

28. Mr. RIOBO (Chile) said that his delegation supported draft decision IDB/S.5/L.1, and the proposal that Mr. Louis Alexandrenne should be appointed Acting Director-General. UNIDO had been confronted with considerable difficulties in recent years, particularly in the financial area, and its management had not been easy. Sometimes it was necessary to criticize particular actions, but such criticisms should never be regarded as personal. He wished to acknowledge the efforts made by Mr. Siazon to manage the Organization effectively in the interests of the developing countries, and to wish him great success in his future work in the field of bilateral cooperation.

29. Mr. WOTAVA (Austria) said that Mr. Siazon had lived for nearly 20 years in Austria. During those years and even before his transfer to Vienna, he had been closely associated with UNIDO as his country's Permanent Representative. He had thus become an expert on UNIDO matters within the diplomatic corps. As Director-General, he had been confronted from the outset with a very difficult task. The needs of the developing countries for development cooperation were almost limitless, and resources were scarce. In

addition, many Member States had failed to fulfil their financial commitments, and the programming of the Organization's activities had been made a very arduous task. He wished to express his delegation's appreciation for the excellent cooperation that had always existed between Mr. Siazon and the Austrian authorities. He wished Mr. Siazon all success in his new post as his country's Ambassador to Japan.

30. Mr. AMMAR (Tunisia) said that his delegation wished to join in thanking Mr. Siazon for the efforts he had made during his term of office to keep UNIDO in operation in spite of all the difficulties. It wished him all success in his new functions. Tunisia also supported the appointment of Mr. Alexandrenne, in whom it had great confidence, as Acting Director-General.

31. Mr. VELAZQUEZ (Peru) supported draft decision IDB/S.5/L.1. His delegation would have preferred Mr. Siazon to have handed over directly to a new Director-General, but it agreed, in the circumstances, that Mr. Siazon should be released from his post on 31 January. He wished to express his thanks to Mr. Siazon for the work he had done in managing the Organization in difficult circumstances, and for his support for Peru's programmes in particular. He had pleasure in supporting the proposal that Mr. Alexandrenne should be appointed Acting Director-General.

32. Viscount VILAIN (Belgium) said that his delegation's position had been expressed in substance by the representative of Denmark, speaking on behalf of the Economic Community and its member States. Referring to the statement made by the representative of Turkey, he wished to express his desire that the officer to take charge of Mr. Alexandrenne's Department in the interim should be the senior Director. He would be grateful if that could be confirmed.

33. Mr. BAKSHI (India) said that the views of the Asian Group on the substantive questions had already been expressed by the representative of Viet Nam. His delegation, however, would like to associate itself with the appreciation expressed to Mr. Siazon by previous speakers for leading UNIDO in very difficult times. In spite of the financial constraints, independent studies had shown that UNIDO was one of the most efficient organizations in terms of programme delivery. He recalled that it had been on the basis of Mr. Siazon's distinguished stewardship of UNIDO during his first term of office that he had been re-elected for a second term. His delegation would have liked Mr. Siazon to have been able to complete that term, but understood the situation and was sure that he would continue to contribute to international cooperation in his new assignment.

34. Mr. ARIAS-SALGADO (Spain) said that his delegation supported the proposal of the representatives of Turkey and Belgium regarding the interim management of the Department of External Relations, Public Information, Language and Documentation Services.

35. Mrs. MACHADO QUINTELLA (Brazil) said that Brazil, which had always participated actively in the activities of UNIDO, had decided that it would be in the best interests of the Organization to join the consensus on draft decision IDB/S.5/L.1. Brazil wished Mr. Siazon success in his new functions and assured the proposed Acting Director-General that he would have Brazil's support during the interim period. Her delegation, like others, would like the Acting Director-General to take only such decisions as were needed for the Organization's work during the interim period and not to enter into long-standing commitments. She also supported the proposal made by other delegations concerning the interim management of Mr. Alexandrenne's Department.

36. Mr. DEL POZO (Bolivia) said that his delegation also supported draft decision IDB/S.5/L.1. He extended his delegation's best wishes to Mr. Siazon and promised the proposed Acting Director-General his delegation's support. Bolivia shared the concern expressed by several delegations regarding the interim management of Mr. Alexandrenne's Department.

37. Mr. GUZMAN (Cuba) said that his delegation would have preferred the relevant provisions of Board decision IDB.10/Dec.22 to have remained in force. In the circumstances, however, it agreed that Mr. Siazon should be released from his post with effect from the end of January, and that an Acting Director-General should be appointed. He supported the appointment of Mr. Alexandrenne as Acting Director-General; regarding the principle of seniority, the basing of a decision on that criterion should not constitute a precedent, because there might also be other criteria to be taken into account.

38. Mr. AL-KITAL (Iraq) said that the statement made by the representative of Viet Nam on behalf of the Asian Group fully reflected his delegation's position. Under Mr. Siazon's stewardship, UNIDO had proved an efficient organization in spite of many difficulties, particularly in the area of financing. Mr. Siazon would be missed, and Iraq wished him all success in his future career.

39. His delegation regretted the statements made by some delegations implying a wish to impose limitations on the powers of the Acting Director-General. He was sure that the proposed Acting Director-General could be entrusted to take wise decisions in the interests of UNIDO during the transitional period.

40. The PRESIDENT said that the draft decision contained in document IDB/S.5/L.1 had been drawn up following consultations with delegations. If there was no objection, he would take it that the Board wished to adopt the draft decision by consensus.

41. It was so decided.

42. Mrs. LACANLALE (Philippines) said that the request of the Philippines for Mr. Siazon's early release had been due to the need for his services in the Philippine Government's efforts urgently to develop the economy and to enhance relations with the international community. She wished to thank the Board on behalf of the President of the Philippines for its understanding and cooperation. She also wished to express her Government's appreciation for the support and cooperation that the Member States of UNIDO had extended to Mr. Siazon and to the Philippines over the past years. She wished to reaffirm her Government's commitment to the objectives of UNIDO and its continuing support for the work of the Organization.

43. Mr. LEE (Republic of Korea), speaking on behalf of the Group of 77, said that the objectives of UNIDO, which were enshrined in its Constitution, derived from the 1975 Lima Declaration, the essential content of which remained valid and relevant.

44. The member States of the Group of 77 had benefited greatly from UNIDO's activities. There was no doubt that UNIDO had played a vital role in catalysing industrial development in the developing countries and UNIDO's operations in areas such as transfer of technology, investment promotion, human resources development and rehabilitation had been greatly appreciated by developing countries. UNIDO's technical cooperation activities through national and regional projects had also contributed to overall economic development and regional development.

45. The international situation had changed considerably since 1975. The global economy continued to suffer from declining output and the developing countries were in an even more difficult situation. There had been a major shift away from centralized economic planning and control, but developing countries were now facing barriers of increased protectionism, declining aid flows and sharply increasing debt-service burdens. UNIDO's role was now even more crucial in promoting industrial growth based on efficient use of available resources, technology and manpower.

46. Mr. Siazon's tenure as the first Director-General had seen the consolidation of UNIDO as an independent specialized agency with an impressive range of activities providing valuable service to developing countries.

47. Speaking on behalf of his own delegation, he said that he wished to associate himself with previous speakers who had paid tribute to Mr. Siazon. He also wished to congratulate Mr. Alexandrenne on his appointment as Acting Director-General and assure him of his delegation's full support and cooperation.

48. Mrs. BECKER (United States of America) congratulated Mr. Alexandrenne on his appointment as Acting Director-General and assured him of her Government's cooperation. Her delegation thanked the outgoing Director-General for his efforts on behalf of UNIDO.

49. Mrs. NGUYEN THI MOI (Viet Nam), speaking on behalf of the Asian Group, supported the remarks made by the representative of the Republic of Korea on behalf of the Group of 77. Her delegation greatly appreciated the work done by Mr. Siazon and congratulated Mr. Alexandrenne on his appointment as Acting Director-General.

50. Mr. ZAITSEV (Russian Federation), speaking on behalf of the Eastern European countries, congratulated the Acting Director-General on his appointment and paid tribute to the work done by Mr. Siazon during his tenure as Director-General.

51. Mr. JOSHUA (Pakistan) wished to record his delegation's great appreciation of Mr. Siazon's commitment and dedication as Director-General of UNIDO. His competence and vision had enabled UNIDO to make a substantive contribution to the development of the developing countries.

52. His delegation welcomed the appointment of Mr. Alexandrenne as Acting Director-General. It had every confidence in his abilities and assured him of its wholehearted cooperation.

53. The PRESIDENT made a statement which had been agreed on with the Bureau and the representatives of the geographical groups.*

54. He said that he would like also to take note of all the thanks expressed to the outgoing Director-General and to join personally in those thanks, recognizing all the problems that the Director-General had had to solve during a very difficult period in the life of the Organization.

55. Mr. ALEXANDRENNE (Deputy Director-General, Department of External Relations, Public Information, Language and Documentation Services) thanked the members of the Board for having entrusted to him the weighty responsibility of serving as Acting Director-General. For the two months during which he would be carrying out those duties, he would endeavour to be deserving of the Board's trust. His designation was an honour for Senegal and the African continent as a whole.

56. He did not underestimate the great challenges facing the Organization. There was a crisis of confidence, both between the Secretariat and the Member States and within the Secretariat staff. It was essential to recreate the conditions required for healthy and peaceful cooperation among the partners involved. UNIDO's primary mission was to serve the Member States in accordance with their needs and the decisions of the policy-making organs. In that context, he also expected to hold consultations with the Staff Union to dissipate anxieties regarding the future of the Organization.

57. The experience that he had gained during his years at UNIDO would, he hoped, stand him in good stead in managing the Organization until a new Director-General was elected in accordance with the decision taken during the tenth session of the Board.

58. During the interim period, he would concentrate on two priorities: the first was to pursue technical assistance activities for the developing countries, particularly the poorest countries, while trying to recover as much as possible of the Member States' contribution arrears; the second was to begin negotiations with Member States on the draft 1994-1995 programme budget. Consultations would be held with the representatives of the Member States during the next two weeks. The draft programme budget was affected by the zero growth principle decided on by the Member States and the withdrawal of a Member State which was among the main contributors. He hoped that the conclusions would reflect the priorities of Member States and take account of the interests of all.

59. During his relatively short mandate, he would associate all his fellow Deputy Directors-General with the management of the Organization. Decisions on matters of vital concern to the

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* For the text of this statement, see the report of the Board (GC.5/8, para. 14).

Organization would be taken by consensus during management meetings. If circumstances required, he would turn to the Bureau of the Board. However, in line with the authority conferred on him by the Constitution, he would exercise his prerogatives directly in cases requiring immediate decision. He assured the Board that he would never abuse his power.

60. UNIDO's strength lay in its competent, experienced and devoted men and women. The Organization's raison d'être was the shared desire of the Member States to cooperate for the benefit of the poorest of them, to bring about a more just and equitable world. Emphasis should be placed on what united Member States rather than on what divided them. The passionate discussions that had taken place on the new vision to be imparted to the Organization had served a useful purpose, and he hoped that, when the new Director-General was elected, UNIDO would be able to respond better to the aspirations of developing countries and serve the cause of cooperation and solidarity among nations.

61. The Board might wish to note that the Constitution did not specify the procedure for designating an Acting Director-General when there was a vacancy between sessions of the General Conference, and to consider supplementing Article 9, paragraph 4 (f), of the Constitution. The Board had also introduced significant innovations to rationalize the work of the deliberating organs, and the opportunity could perhaps be taken to embody those changes in the rules of procedure of the Board and the General Conference.

62. He felt the need to draw the Board's attention to UNIDO's alarming financial situation and pointed to the increase in arrears. He would urgently appeal to Member States to assume their obligations in order to prevent UNIDO's activities from atrophying.

63. He paid tribute to the achievements of Mr. Siazon and the important innovations he had made in UNIDO's operations, especially with regard to improving the quality of its products. Mr. Siazon had originated the system of trust funds, which helped to generate substantial revenues for the operational budget.

64. Mr. AALTO (Finland), speaking on behalf of Western European and other countries, wished to thank the President for his efforts in guiding the Board to a decision in such an intricate matter, to congratulate Mr. Alexandrenne on his appointment as Acting Director-General, assuring him of the full cooperation of the countries concerned, and to express gratitude to Mr. Siazon, who had led UNIDO in a critical period of international change and financial constraint.

65. Mr. TREMEAU (France) said that his delegation supported the sentiments expressed by the representative of Finland. His delegation greatly appreciated the content of the statement by Mr. Alexandrenne and assured him of its full support and cooperation.

66. Mr. EL HUSSEIN (Sudan) said that his delegation supported the views expressed by the representative of Egypt on behalf of the African Group. The spirit of conciliation which had prevailed in the discussions was proof of the Organization's maturity. His delegation welcomed the selection as Acting Director-General of Mr. Alexandrenne, particularly as a mark of recognition for the continent of Africa, and praised the efforts of Mr. Siazon in managing UNIDO, which had been particularly important for the third world countries.

67. Mr. SALLOUKH (Lebanon), Mr. FATUNLA (Nigeria) and Mr. ELOUNDOU MANI (Cameroon) commended the efforts of the President, paid tribute to the achievements of the outgoing Director-General and welcomed the appointment of Mr. Alexandrenne.

68. The PRESIDENT, commenting on the point raised by several delegations concerning the interim administration of Mr. Alexandrenne's Department, said that the Bureau had studied the matter closely and that the decision would be based on the rule in the Director-General's Bulletin DG/B.26/Add.1 of 18 July 1986, according to which, if the supervisory official was going to be away, he or she was to designate an officer in charge who would normally be the staff member who was most senior in grade in the particular organizational entity concerned.

ADOPTION OF THE REPORT OF THE FIFTH SPECIAL SESSION (IDB/S.5/L.2)

69. The PRESIDENT said that, bearing in mind time constraints and to accelerate the work of the Board, the Rapporteur had prepared a framework for the report which was available as document IDB/S.5/L.2.

70. Mr. DAMANPAK JAMI (Islamic Republic of Iran), Rapporteur, introduced document IDB/S.5/L.2. It provided a framework report of the fifth special session of the Board and had been prepared in consultation with representatives of all the geographical groups. It was obviously incomplete, but the final report would reflect the events that had taken place at the session. He sought the Board's authorization to finalize the report after the closure of the session, in close consultation with the Friends of the Rapporteur.

71. The PRESIDENT said that, if he heard no objection, he would take it that the Board wished to adopt the report as contained in document IDB/S.5/L.2 on the understanding that the Rapporteur would be entrusted with the task of completing the report after the closure of the session.

72. It was so decided.

CLOSURE OF THE FIFTH SPECIAL SESSION

73. Mr. SIAZON (Director-General) thanked the members of the Board for agreeing to his early release and for their cooperation over the past years. When he had taken office, the issues of note had been the establishment of a new international economic order, the elusiveness of the North-South dialogue and the importance attached to dirigiste principles and grand economic designs. The emphasis had been on cooperation with Governments and public enterprises. The world situation had changed greatly in the last seven years. UNIDO had been caught up with the shift from central planning to

market principles and had met the challenge of change with true pragmatism; it had recognized that it had a key developmental role to play, providing essential policy and technical advice on industrial development. The Organization had strengthened its ties with the private sector, in particular small-scale enterprises, as well as with industrial associations and non-governmental organizations. It had constantly endeavoured to enhance the developing countries' ability to mobilize resources for their own industrial development. He had always attached particular weight to UNIDO's investment promotion activities and its trust fund programme, and given prominence to the rehabilitation and modernization of private industry in the developing countries. The Organization's record deliveries over the past few years in terms of both technical cooperation and industrial investment bore testimony to its commitment and reaffirmed the importance of industrialization to the economic development process. He thought that UNIDO's endeavours had made a difference in some countries as they transformed their command economies into free market operations. Their success had been a source of particular personal satisfaction to him.

74. Development could not be seen in economic terms alone. In the present multipolar world, economic and social development, as well as the promotion and reinforcement of democratic institutions, were an intrinsic part of sustaining growth and maintaining peace. No region was immune to economic and social ills. That was particularly true for Africa and that region's economic plight had been foremost in his mind throughout his association with UNIDO. He was convinced that the secret to success lay in effective regional cooperation, not merely in terms of markets, but also in terms of macro- and micro-economic policies and administrative rules and regulations, creating the enabling environment needed to attract domestic and foreign investment.

75. The changes in the world made the revitalization and restructuring of UNIDO more urgent than ever. He had made efforts to facilitate the working of the Organization and, in terms of its financial situation, technical cooperation and costs of delivery, UNIDO unquestionably ranked among the best of the specialized agencies of similar size. Project and programme quality had risen consistently over the past seven years. Project implementation quality was governed by the quality of project design, which had been enhanced by the introduction of the objectives-oriented project planning approach. That would continue to bear fruit as it enjoyed broader application.

76. All that had been achieved despite the decline in UNDP approvals and the probability of further reductions in official development assistance. However, with the possibility of the resource base shrinking still further as a major donor withdrew from membership, the Organization must tighten its structure and seek still greater efficiency and economy. Only thus could it retain its capacity to assist developing countries and carry out the reforms desired by Member States to improve operational activities. The groundwork for reform had already been laid and he trusted that the momentum would not be lost. He welcomed the recent initiative on the part of the OECD countries to review the future role of UNIDO and would encourage the developing countries to initiate a similar process.

77. He wished to pay tribute to the unwavering dedication and unflagging commitment of the staff who, together with Member States, had shown resolve as never before. He had greatly appreciated and enjoyed the past seven years of common endeavour.

78. The PRESIDENT thanked all delegations for enabling consensus to be achieved. He declared the session closed.

The meeting rose at 12.20 p.m.